

House Study Bill 217

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
HUMAN SERVICES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for county and state financial responsibility
2 for certain human services programs and treatment or support
3 services.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1240DP 82
6 jp/es/88

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1 1 DIVISION I
1 2 FINANCIAL RESPONSIBILITY FOR
1 3 CERTAIN MEDICAID SERVICES
1 4 Section 1. Section 225C.6, subsection 1, paragraph e, Code
1 5 2007, is amended to read as follows:
1 6 e. Unless another governmental body sets standards for a
1 7 service available to persons with disabilities, adopt state
1 8 standards for that service. The commission shall provide that
1 9 a service provider's compliance with standards for a service
1 10 set by a nationally recognized body shall be deemed to be in
1 11 compliance with the state standards adopted by the commission
1 12 for that service. The commission shall adopt state standards
1 13 for those residential and community-based providers of
1 14 services to persons with mental illness or developmental
1 15 disabilities that are not otherwise subject to licensure by
1 16 the department of human services or department of inspections
1 17 and appeals, including but not limited to remedial services
1 18 and habilitation services payable under the ~~adult~~
~~1 19 rehabilitation option of the medical assistance program and~~
1 20 other services payable from funds credited to a county mental
1 21 health, mental retardation, and developmental disabilities
1 22 services fund created in section 331.424A. In addition, the
1 23 commission shall review the licensing standards used by the
1 24 department of human services or department of inspections and
1 25 appeals for those facilities providing services to persons
1 26 with mental illness or developmental disabilities.
1 27 Sec. 2. Section 249A.26, subsection 4, Code 2007, is
1 28 amended to read as follows:
1 29 4. a. The county of legal settlement shall pay for one
1 30 hundred percent of the nonfederal share of the cost of
1 31 services provided to ~~adult persons with chronic mental illness~~
~~1 32 implemented under the adult rehabilitation option of the state~~
~~1 33 medical assistance plan who qualify for remedial services in~~
1 34 ~~accordance with the rules adopted for the services.~~ The state
1 35 shall pay for one hundred percent of the nonfederal share of
2 1 the cost of such services provided to such persons who have no
2 2 legal settlement or the legal settlement is unknown so that
2 3 the persons are deemed to be state cases.
2 4 b. ~~The county of legal settlement shall pay for one~~
2 5 ~~hundred percent of the nonfederal share of the costs of~~
2 6 ~~services provided to adult persons who qualify for~~
2 7 ~~habilitation services. The state shall pay for one hundred~~
2 8 ~~percent of the nonfederal share of the cost of habilitation~~
2 9 ~~services provided to such persons who have no legal settlement~~
2 10 ~~or the legal settlement is unknown so that the persons are~~
2 11 ~~deemed to be state cases.~~
2 12 Sec. 3. Section 249A.31, Code 2007, is amended to read as
2 13 follows:
2 14 249A.31 COST-BASED REIMBURSEMENT ~~== MENTAL HEALTH AND~~
~~2 15 DEVELOPMENTAL DISABILITIES PROVIDERS.~~
2 16 ~~All of the following shall receive cost-based reimbursement~~
~~2 17 for one hundred percent of the reasonable costs for the~~
~~2 18 provision of services to recipients of medical assistance:~~

2 19 1. Providers of individual case management services for
2 20 persons with mental retardation, a developmental disability,
2 21 or chronic mental illness shall receive cost-based
2 22 reimbursement for one hundred percent of the reasonable costs
2 23 for the provision of the services in accordance with standards
2 24 adopted by the mental health, mental retardation,
2 25 developmental disabilities, and brain injury commission
2 26 pursuant to section 225C.6.

~~2 27 2. Providers of services to persons with chronic mental
2 28 illness implemented under the adult rehabilitation option of
2 29 the state medical assistance plan.~~

2 30 Sec. 4. Section 331.440A, subsection 7, paragraph b,
2 31 subparagraph (1), Code 2007, is amended to read as follows:
2 32 (1) The oversight committee may make a determination that
2 33 implementation by the department of human services of a new
2 34 significant funding provision such as the rehabilitation
~~2 35 option for persons with chronic mental illness remedial~~
3 1 services or a waiver under the medical assistance program, or
3 2 another good cause reason, justifies delay of the
3 3 implementation of the pilot project phases as provided in
3 4 subsection 6. If such a determination is made, the department
3 5 of human services and pilot project counties shall delay
3 6 implementation of the pilot project phases until a date
3 7 identified by the oversight committee.

3 8 Sec. 5. Section 249A.26A, Code 2007, is repealed.

3 9 Sec. 6. IMPLEMENTATION OF ACT. Section 25B.2, subsection
3 10 3, shall not apply to this division of this Act.

3 11 DIVISION II

3 12 LEGAL SETTLEMENT STATUS

3 13 Sec. 7. Section 252.16, subsection 8, Code 2007, is
3 14 amended to read as follows:

3 15 8. a. A person receiving treatment or support services
3 16 from any provider, whether organized for pecuniary profit or
3 17 not or whether supported by charitable or public or private
3 18 funds, ~~that who~~ provides treatment or services for mental
3 19 retardation, developmental disabilities, mental health, brain
3 20 injury, or substance abuse does not acquire legal settlement
3 21 in a county unless the person continuously resides in that
3 22 county for one year from the date of the last treatment or
3 23 support service received by the person.

3 24 b. For the purposes of this section, "treatment or support
3 25 services" means treatment or support services provided under
3 26 the authority of a mental health professional, as defined in
3 27 section 228.1. A person's receipt of a prescription for a
3 28 psychotropic drug from a mental health professional other than
3 29 a psychiatrist does not constitute receiving treatment or
3 30 support services under this section.

3 31 EXPLANATION

3 32 This bill provides for county and state financial
3 33 responsibility for certain human services programs and
3 34 treatment or support services. The bill is organized into
3 35 divisions.

4 1 FINANCIAL RESPONSIBILITY FOR CERTAIN MEDICAID SERVICES.

4 2 This division addresses state and county financial
4 3 responsibility for certain medical assistance (Medicaid)
4 4 program services provided to adults. Under current law, the
4 5 county of legal settlement is responsible for the nonfederal
4 6 share of the cost of services provided to persons with chronic
4 7 mental illness who receive services under the adult
4 8 rehabilitation option of the state plan for the services. The
4 9 state is responsible for the nonfederal share for state cases.
4 10 The department of human services is in the process of
4 11 eliminating the adult rehabilitation option under Medicaid and
4 12 is instead implementing a new approach. The new approach is
4 13 to offer remedial services and habilitation services as part
4 14 of the regular Medicaid benefit package.

4 15 The bill eliminates Code references to the rehabilitation
4 16 option and the limitation of the option's application to
4 17 persons with chronic mental illness. Code section 249A.26,
4 18 relating to state and county participation in funding for
4 19 services to persons with disabilities, is amended to replace
4 20 the references to the rehabilitation option in the
4 21 requirements for county of legal settlement and state
4 22 financial responsibility with references to remedial services
4 23 and habilitation services.

4 24 Conforming amendments are made in Code section 225C.6,
4 25 relating to the responsibility of the mental health, mental
4 26 retardation, developmental disabilities, and brain injury
4 27 commission to adopt rules for service providers; and Code
4 28 section 331.440A, relating to grounds which may be used for
4 29 delaying implementation of an adult mental health, mental

4 30 retardation, and developmental disabilities services funding
4 31 decategorization pilot project.
4 32 Code section 249.26A, which relates to the same
4 33 requirements addressed in the bill in Code section 249A.26, is
4 34 repealed.
4 35 Code section 249A.31, relating to providers who are
5 1 reimbursed for 100 percent of the reasonable costs for the
5 2 provision of services, is amended to eliminate the requirement
5 3 for cost-based reimbursement for adult rehabilitation option
5 4 services and to reorganize the section.
5 5 The division may include a state mandate as defined in Code
5 6 section 25B.3. The division makes inapplicable Code section
5 7 25B.2, subsection 3, which would relieve a political
5 8 subdivision from complying with a state mandate if funding for
5 9 the cost of the state mandate is not provided or specified.
5 10 Therefore, political subdivision are required to comply with
5 11 any state mandate included in the division.
5 12 LEGAL SETTLEMENT STATUS. This division amends Code section
5 13 252.16, relating to establishing a county of legal settlement.
5 14 Current law provides that a person receiving treatment or
5 15 support services from any provider that provides treatment or
5 16 services for mental retardation, developmental disabilities,
5 17 mental health, brain injury, or substance abuse does not
5 18 acquire legal settlement in a county unless the person
5 19 continuously resides in that county for one year from the date
5 20 of the last treatment or support service received by the
5 21 person.
5 22 The bill defines the term "treatment or support services"
5 23 as used in Code section 252.16 to mean treatment or support
5 24 services provided by a mental health professional, as defined
5 25 in Code section 228.1. Code section 228.1 defines the term
5 26 "mental health professional" to mean an individual who has all
5 27 of the following qualifications: the individual holds at
5 28 least a master's degree in a mental health field including but
5 29 not limited to psychology, counseling and guidance, nursing,
5 30 and social work, or the individual is a physician and surgeon
5 31 or an osteopathic physician and surgeon; the individual holds
5 32 a current Iowa license if practicing in a field covered by an
5 33 Iowa licensure law; and the individual has at least two years
5 34 of post-degree clinical experience, supervised by another
5 35 mental health professional, in assessing mental health needs
6 1 and problems and in providing appropriate mental health
6 2 services.
6 3 In addition, the bill provides a person's receipt of a
6 4 prescription for a psychotropic drug from a mental health
6 5 professional other than a psychiatrist does not constitute
6 6 receiving treatment or support services.
6 7 LSB 1240DP 82
6 8 jp:sc/es/88.1